

Law no. 130 for 1963  
**Revenues of Municipalities Law**

In the name of people  
Republic presidency

Pursuant to constitutional law of national assembly; and upon the representations made by the Minister of municipalities which were approved by the Council of Ministers; passed the following Law:

Article 1: -

Municipalités revenues continues by : -

- 1- Duties fixed in attached table with this law.
- 2- Aids and allowances from government or governance council.
- 3- Revenues of the municipalities according to valid laws.
- 4- Fines imposed by the criminal courts in the municipality in criminal cases and the fines imposed by the municipality councils according to this law or other valid laws.
- 5- Revenues by selling or using properties of the municipality and its services and projects.
- 6- Loans and interests of loans and fix deposits.
- 7- Donations according to article 4 of this law.

Article 2-

- 1- The Duties fixed in attached table with this law are imposed and given to municipalities each in its territory and collected by the municipality staff directly or by commitment excluding the lottery, cigarettes, tobacco, betting, matches, alcoholic drinks, and cold drinks which are collected by the concerned offices and paid to ministry of municipalities for distribution on all municipalities according to municipality's percentage of total population.
- 2- All companies and factories that produce cold drinks or matches should pay the due fees at the end of each month directly to the ministry of interior governing.
- 3- The exemptions and allowances mentioned in the attached table shall be considered.

Article 3-

- 1- Baghdad mayor and the governorate council in the governorate may decide the cancellation or discounting of amounts existed from the revenues mentioned in article (1) with no more than 300 I.D in each case if Baghdad council or governorate council represent recommendation to do that after checking that they can't be collected because the debtor or taxpayer is unable to pay or permanent injury resulting from an accident, the decision needs to be certified by the minister of interior governance.
- 2- The minister of interior governance can exempt the following establishments from all or part of the duty:

- A- National charitable or religious establishments or associations.
- B- Foreign charitable or religious establishments or associations and diplomatic and consular committees and their officials and employees (same nationality) in condition of reciprocity.

Article 4-

Municipalities may accept donations and shall spend the proceeds in compliance with the trust document and within its services; if there is no specified trust, the municipality council should determine the use of funds.

Article 5-

If the municipality provides any service, it can determine the fee after approval of the minister of interior governance is given.

Article 6-

The minister of interior governance issues instructions about methods of collection.

Article 7-

- 1- Taxpayer should notify the municipality about his first day of taxable work.
- 2- The minister or his designee can exempt the taxpayer from all or part of the duty and refund it if paid; if he was convinced that the delay was due to legitimate reasons.
- 3- If the duty was paid in installments and the taxpayer did not pay an installment within one month from the due date, then all the installments become due without notice.

Article 8-

Debts of municipalities are considered excellent debts and law of state debts collection is applied on them.

Article 9-

Real estate registry offices shall not finalize a transaction until after the office has checked that all municipality duties has been paid.

Article 10-

The year mentioned in the attached table with this law is the fiscal year.

Article 11-

Real estate tax office should supply the municipality with a copy of final annual assessments.

Article 12-

Any one who counter the provision of para.1 of article (7) of this law and para.3 of section 7 of this law will be punished with a fine of no more than 100 I.D or with prison no more than three months.

Article 13-

Revenue of municipalities' law no.84 Of 1956, as amendment, is hereby repealed.

Article 14 –

This Law shall be valid from the date of its publication in Official Gazette

Article 15-

The ministers should implement this law.

### **Duties table Attached to the Revenues of Municipalities' Law**

#### **Section One Building Duty**

No.	Duty amount	Details
1	100 fils	One square meter of the building for each floor (including balconies).
2	500 fils	One square meter of the building for each floor (including balconies) if the owner has more then one house.
3	1 dinar	One square meter of the building for each floor (including balconies) if the building for industrial or commercial purpose.

#### **Section Two Slaughterhouses Duty**

No.	Duty amount	Details
1	250 fils	Camels and buffalos.
2	150 fils	Bull and cow.
3	50 fils	Sheep, goat and veal.

#### **Section Three Advertisement Duty**

No.	Duty amount	Details
1	200 fils	Each square meter or part of it hanged or fixed on public places as shops, stores, factories, streets and squares either on the walls or its front –part, and the duty should be doubled if the advertisement or part of it is in a foreign language.
2	500 fils	Advertisements on the screen of cinema for each week or less.
3	500 fils	Advertisements on T.V and radio for each station and each time.

Shops whose rents are less than 100 Dinar per year, will be exempt from the advertisement duty if the advertisement is not concerning a certain good, and also the advertisements made by Neon or Florissant light are exempted.

#### **Section Four Lottery & Betting Duty**

Duty amount	Details
10%	Of the price of lottery & betting tickets

#### **Section Five Cigarettes, Tobacco, Alcoholic drinks, and Cold drinks Duty**

No.	Duty amount	Detail
1	Half of the excise tax imposed on cigarettes according to law no. 8 of 1961	Cigarettes
2	Half of the excise tax imposed on tobacco and tobacco in Iraq	Tobacco
3	1 fil	Each box of match imported to Iraq or made in Iraq that contains from 21 to 60 sticks and the boxes that contain more than 60 sticks, 1 more fil is collected on each 60 stick. Locally made book matches with less than 20 sticks are exempted from this duty.

Iraqi products exported outside Iraq are exempt, and if the duty was collected, it should be refunded according to an instructions from the minister.

#### **Section Six Duty of Practicing Professions and Works**

A- **First:** an annual duty is imposed on the following professions and works according to the following rates:

No.	Duty amount	Details
1	10% of annual rent amount of the work location	Bank, insurance co., registered construction co., bars, alcoholic drinks factories, alcohol and beer shops, cold drinks shops, Luna park, importer of vehicles, buyer of gold and silver, watches, perfumes, furs, classes, gold and silver smiths, architectural, travel agents, contractor, casher, broker, factories with 6 workers or run by electricity or steam machines, seller of mechanical transportations and their spare parts, T.V and radio, music tools, sewing machines, photography devices, telescope, surgery tools

		electrical tools, oil tools, building materials, sports and travel requirements, weapons, toys, metallic furniture, paints, clothes, shoes, hats, restaurants, café, pharmacy and drugstore, transportation stations.
2	5% of annual rent of factories of	Butter, oil, cheese, yogurts, meats, sugars, sweets, biscuits, Cigarettes, tobacco, clothes, cotton, wools, cords, mats, cements, cement tubes, building materials, electricity tools machines, vehicles and its spare parts, chemicals and industrials products, papers, carton, steel, aluminum, rube, oil, vegetable oil, soap, candle, matches, fertilizer, shoes, furniture, weeding, repair factory, mold, cloths, laundry, freezing stores.

**Second:** the duty is collected by 4 equal installments.

**Third:** shops whose rents are less than 60 dinars will be exempt.

**Fourth:** Duties mentioned above shall not apply to the following professions and works; instead, the following rates are applied: -

No.	Duty amount	Details
1	200 dinars monthly	Horses races places
2	20% of the income	Luna park city and fixed and movable circus.

B- If the Luna Park and the circus are established by national capital they shall be exempt from tax if the municipality determines the entrance fee. This exemption does not include cinemas and dance halls constructed inside Luna Parks or circuses.

Following professions and works shall be taxed by the following amounts at the time of establishment:

No.	Duty amount	Details
1	500 dinars	Production of Cinema movies
2	500 dinars	Circus and alike.
3	500 dinars	Horses races
4	500 dinars	Dancing hall and cinema hall (first class).
	300 dinars	Dancing hall and cinema hall (second class).
	150 dinars	Dancing hall and cinema hall (third class).
	50 dinars	Dancing hall and cinema hall (fourth class).
5	500 dinars	Luna Park (first class).
	250 dinars	Luna Park (second class).
6	200 dinars	Hotels with restaurant -first class.
	100 dinars	Hotels with restaurant- second class.
	50 dinars	Hotels with restaurant- third class.
	20 dinars	Hotels with restaurant- fourth class.
7	40 dinars	Hotel without restaurant – first class.

	30 dinars	Hotel without restaurant – second class.
	20 dinars	Hotel without restaurant – third class.
	10 dinars	Hotel without restaurant – fourth class.
8	20 dinars	Casino and café first class.
	15 dinars	Casino and café second class.
	10 dinars	Casino and café third class.
	5 dinars	Casino and café fourth class.

C- Municipality council classify professions and works mentioned in Para. B above.

**Fifth:** the following is Duty exempt.

- 1- 1-Professions and works of official and semi-official offices and municipalities.
- 2- Factories mentioned in Para. (First) of section six within the period of its tax-exemption.
- 3- Persons work at home, with sewing and weaving and rob threading using their family members only.
- 4- National & international fairs under official form in condition of reciprocity.
- 5- Printing houses, newspapers, public baths & drugs factories.

**Sixth:** municipal councils assign the duty that should be paid by whoever practices businesses in a single building and if the business and sale in single location or in detached locations, the highest rate is imposed on any of those businesses.

**Seventh:** what is meant by rent amount mentioned for the purpose of implementing the provisions of this law is the annual cost that is estimated according to the law of real estate tax.

**Eighth:** a- if the real estate contains, multiple offices that are leased individually but used for many professions, then the municipality shall estimate the rent amount for each office one as if it is an independent property for the purpose of imposing duties, not mentioning the current estimation for real estate tax.

b- if an establishment has never been estimated according to the provisions of real estate tax law, the concerned municipality will perform the estimation for the purpose of imposing a duty and the subject has the right to object before the municipal council upto 15 days from the date they are informed about the estimate.

### **Section Seven: Auction Duty**

- 1- 3% of the amounts of items sold in the auction places.
- 2- Auction owner is not allowed to collect more than 8% including the municipality share in his place and 5% in another places.
- 3- Auction owner should keep record for all his sales and formalities.

## **Section Eight**

### **Casino Duty**

**First:**

Casino: is the casino defined in article one of the law of control organization of casinos and theaters no.175 of 1969.

**Second:**

- 1- 2 fils are collected from the casino owner for each 10-fils as the price of ticket and collection is done by special stamp or municipality seal.

- 2- If the casino works without tickets the owner is taxed as following: -

A	casino (first class)	150 dinar monthly
B	casino (second class).	100 dinar monthly
C	casino (third class)	50 dinar monthly
D	casino (fourth class)	25 dinar monthly

- 3- Places that provide entertainment means as music in addition to the usual services against fee, the following rates are added: -

A	first class	50 dinar monthly
B	second class	30 dinar monthly
C	third class	15 dinar monthly
D	fourth class	5 dinars monthly

- 4- 20% of the total revenue of parties held in celebrations.

**Third: -**

Municipalities would classify casinos and shops mentioned in Para. (2 and 3) in item (first) above for the purpose of these duties and determine if the shop is considered as a casino or not and its decisions is final.

**Fourth:**

The parties of licensed national theatre teams are exempted from the duties.

**Fifth:**

Baghdad mayor for Baghdad and governor for his governance may exempt charitable parties from all or part of the duty.

**Sixth:**

This duty is considered as a base for the tax estimation according to article 11 of National Defense tax law.